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Maine State Legislature

Office of Fiscal and Program Review

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FISCAL NEWS

MONTHLY NEWSLETTER OF THE OFFICE OF FISCAL AND PROGRAM REVIEW

OCTOBER 2009

Volume 3 Number 10

Month In Review.....	1
General Fund Revenue Update.....	2
Highway Fund Revenue Update.....	2
Economic Forecast Update.....	3
MainePERS Investment Update.....	4
Home Heating Oil Cost Update	5
Cash Balances Update	6
MaineCare Update.....	6
Attachments:	
• September 2009 Revenue Variance Report	8
• Comparison of Actual Year-to-Date Revenue	9

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The Office of Fiscal and Program Review (OFPR) is a nonpartisan staff office of the Legislative Council providing budget, tax and general fiscal research and analysis for the Maine State Legislature.



Month In Review

General Fund revenue performance in September was very discouraging and now it appears that October will conclude with a similar, dismal performance. Individual Income Tax and Sales Tax collections are the primary reasons for the recent substantial negative variances.

Highway Fund revenue, which had been performing better than expected in the first 2 months of FY 2010, stumbled a bit in September with a negative variance of \$2.0 million for the month, but it remained \$3.0 million ahead for the first quarter of FY 2010. October revenue will end up close to budget so that the positive variance at the end of first quarter will remain largely intact.

The Consensus Economic Forecasting Commission (CEFC) met in late October to update its economic forecast as the first step in the fall revenue forecasting process. While some of the details remain unresolved, the discussions at the October 26th meeting indicate fewer total job losses during this recession than previously projected but a much more significant decline in salaries and wages and aggregate personal income in 2009. The changes to salary and wages and total personal income help explain the current negative variances in the major tax lines.

Due to the delay in the conclusion of the detailed economic forecast and the potential for significant adjustments to the revenue forecast from pending referenda and People's Veto petition signature counts, the Revenue Forecasting Committee decided to delay its meeting from November 17th to November 20th to leave adequate time to incorporate these potential contingencies affecting the revenue forecast.

MaineCare caseload continued to grow. However, the weekly payment cycles have stabilized. The Department of Health and Human Services (DHHS) believes that efforts to control utilization are paying off and that they should be able to keep MaineCare spending within budgeted levels despite the \$55.6 million transfer of funds into the 1st quarter of FY 2010 from the 2nd, 3rd and 4th quarters.

Maine Public Employees Retirement System (MainePERS) released its investment performance for the most recent quarter ending September 30th. The strong recovery in financial markets in the last 2 quarters has helped MainePERS recover some asset value, but MainePERS total assets remain well below the \$10.5 billion in assets achieved at the end of FY 2008. Unless the investment returns of the last 2 quarters continue, which is very unlikely, the State will be facing very substantial increases in contribution rates for the 2012-2013 biennium.

Oil prices have begun to creep upward recently after remaining relatively very low compared to recent year highs. This is troublesome for the Maine consumer and the revenue forecast as we head into the winter heating and holiday shopping season.



General Fund Revenue Update

Total General Fund Revenue - FY 2010 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
September	\$298.7	\$270.7	(\$28.0)	-9.4%	\$293.0	-7.6%
FYTD	\$587.4	\$545.1	(\$42.3)	-7.2%	\$602.2	-9.5%

General Fund revenue was under budget by \$28.0 million in September increasing the negative variance for the first quarter of FY 2010 to \$42.3 million or 7.2%. General Fund revenue fell by 9.5% during the first quarter of FY 2010 compared to the same period in FY 2009. September's poor performance will be followed by another poor performance for October, likely of a similar magnitude.

Individual Income Tax was the primary factor in September's negative variance. This category was under budget by \$28.0 million in September due to an \$18.4 million shortfall in estimated payments due on September 15th and an \$8.9 million (or roughly 10%) shortfall in withholding payments. Individual Income Tax collections for the first quarter of FY 2010 were \$39.3 million below projections. The preliminary data for October revenue suggest that this category will be significantly under budget again, as much as \$20 million in October.

Sales Tax collections were under budget by \$6.3 million in September and fell \$18.3 million below projections for the first quarter. Sales Tax performance in September (August taxable sales) was discouraging given the return of nice weather in August and the temporary boost to automobile sales from the "Cash for Clunkers" program. The Sales and Use Tax

category will likely end October with a negative variance of the same magnitude, further increasing the total shortfall.

While Corporate Income Tax estimated payments were below budget in September, this category remained above budget through the first quarter. October collections have been below expectations due to the performance of tax year 2008 refunds and final payments. After October's revenue performance, the Corporate Income Tax category will likely join the "problem" list with a negative variance through October of approximately \$5 million.

The only other negative variances through the first quarter were in the Estate Tax and Fines, Forfeits and Penalties categories. With the exception of the Sales Tax and Income Tax categories, the remaining revenue categories were above budget by \$15.3 million for the first quarter of FY 2010.

September's revenue performance has prompted the Governor to begin the process of curtailing allotments. He is also preparing for a shortfall in the \$200 million range to be addressed by a supplemental budget for the Second Regular Session. October's performance will add some urgency to this curtailment and may result in a reevaluation of the amount of the shortfall.

Highway Fund Revenue Update

Total Highway Fund Revenue - FY 2010 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
September	\$27.9	\$25.9	(\$2.0)	-7.3%	\$31.0	-16.5%
FYTD	\$59.0	\$61.9	\$3.0	5.1%	\$63.0	-1.7%

Highway Fund revenue was under budget by \$2.0 million or 7.3% in September. However, Highway Fund revenue remains above budget by \$3.0 million (5.1%) through the first quarter of FY 2010. Highway Fund revenue growth through August had been positive, but September's poor performance turned aggregate Highway Fund revenue growth negative, declining 1.7% compared with the same period in FY 2009.

The Fuel Taxes category was under budget by \$0.9 million in September, but remained above budget for the quarter by \$3.6 million. In aggregate, the other revenue categories were under budget by \$0.6 million.

October revenue will likely end the month fairly close to budget and therefore maintain a positive variance for the fiscal year-to-date.



Economic Forecast Update

The Consensus Economic Forecasting Commission (CEFC) met on Monday, October 26th to begin the fall forecast update. The commission reviewed updated employment, personal income and inflation data and revised their economic forecast last updated in late March 2009. This economic forecast is a critical input for Maine Revenue Services and the Revenue Forecasting Committee (RFC) in developing a revenue forecast for the major tax lines. The CEFC was unable to conclude some of the detail of the forecast for personal income at its October 26th

meeting and scheduled another meeting on Monday morning, November 2nd to review the detail and conclude the forecast. The CEFC plans to release a summary report before the November 1st deadline and will provide the more detailed version after the conclusion of the follow-up meeting.

The major components of the economic forecast, which are preliminary and subject to change based on a final review of the underlying detail for the forecast of personal income, are presented below compared to the previous forecast developed last spring.

Consensus Economic Forecasting Commission Preliminary Summary of Forecast

Comparison of April 2009 and November 2009 Economic Forecasts

Calendar Years	2008	2009	2010	2011	2012	2013
• Wage & Salary Employment (Annual Percentage Change)						
> Consensus 4/2009	-0.3	-3.8	-1.6	1.4	2.2	2.0
> Consensus 11/2009	-0.3	-2.9	-1.2	1.2	2.2	2.0
Difference	0.0	0.9	0.4	-0.2	0.0	0.0
• Personal Income (Annual Percentage Change)						
> Consensus 4/2009	4.2	1.0	1.2	2.8	4.0	4.7
> Consensus 11/2009	4.0	-0.6	1.2	3.2	4.4	4.8
Difference	-0.2	-1.6	0.0	0.4	0.4	0.1
• Consumer Price Index (Annual Percentage Change)						
> Consensus 4/2009	3.8	-1.4	1.7	2.3	2.1	2.0
> Consensus 11/2009	3.8	-0.5	1.7	2.0	2.1	2.0
Difference	0.0	0.9	0.0	-0.3	0.0	0.0

While there is some improvement in the employment forecast in the short-term, it is the significant decline in the 2009 forecast of personal income that will drive the revenue forecast for individual income tax and sales tax downward. The CEFC noted that the number of job losses during this recession would be less than previously thought, approximately 31,600 jobs from peak to trough compared with the 36,000 projected earlier and that job growth is projected to begin in the 3rd quarter of 2010. However, that positive impact will be dwarfed by the effect of the significant downward adjustment made to the growth rate for the salary and wage component of aggregate personal income in 2009, which preliminarily was projected to decline by 4.7% as opposed to a 1.3% decline in the old forecast. This downward adjustment certainly helps to explain why we have been experiencing such negative variances in the individual income tax withholding receipts.

The CEFC also discussed some of the underlying assumptions within the national economic forecast that formed the basis for the Maine specific forecast. The national forecasting firm that develops national and

state economic forecasts, Economy.com, is the primary model used by the CEFC to develop its Maine economic forecasts. The baseline scenario within the national and Maine forecasts include an assumption that there will be some sort of new federal stimulus, including continued support for the states. Economy.com's model is the primary source for Maine economic forecasts used by the CEFC. Without that additional stimulus, the state and local government employment levels would have been much lower. The impact on the economic and revenue forecasts if this additional stimulus is not implemented is uncertain and may not be known until after the conclusion of the 2nd Regular Session of the 124th Legislature.

The RFC Committee is now planning to meet Friday, November 20th to conclude the December 2009 revenue forecast. This date represents a slight delay from earlier plans, primarily due to the delay in the conclusion to the economic forecast and the potential contingent revenue changes in the November referenda and the pending signature count of the People's Veto of the Tax Reform package.



MainePERS Investment Update

The financial markets were turbulent during Fiscal Year 2009. For the year ended June 30, 2009, US stocks were down 26.4%, international stocks declined 30.9% and real estate fell 19.6%. Domestic bonds provided the only solace to investors with a positive return of 6.0%. While the fiscal year results were disappointing, the final quarter ending June 30, 2009, did show signs of improvement as US stocks were up 16.8%, international stocks increased 27.9% and domestic bonds rose 1.8%. The positive trend continued into the quarter ended September 30, 2009 with strong performance from US stocks, international stocks and domestic bonds that returned 16.3%, 19.8% and 3.7%, respectively.

The Maine Public Employees Retirement System's (MainePERS) total fund was down 18.8% for fiscal year 2009, closing out the year with a market value of \$8.3 billion compared to \$10.5 billion at end of the prior year. For the calendar year January 1, 2008 to December 31, 2008 MainePERS lost 27.6%. While

this performance is disappointing, it is consistent with the returns of the market and the median state public fund. On a positive note, more recent performance for the fund has improved significantly, with the total fund increasing 13.0% for the quarter ending June 30, 2009 and 11.7% for the quarter ending September 30, 2009.

While significant fluctuations in capital markets are worrisome to members and retirees alike, the recent investment performance has not affected MainePERS' ability to pay benefits to members. As a defined benefit plan, each member's benefit continues to be based upon service credit, earnable compensation, and accrual rate (the value of each year of service).

The MainePERS investment strategy is long-term in nature and considers a number of factors including market volatility, inflation, asset class correlations, and investment time horizon. The table below illustrates how the fund has performed over the past thirty calendar years.

Annual Historical Investment Performance for MainePERS					
Total Fund - Calendar Years from 1979 to 2008					
Year	Return	Year	Return	Year	Return
1979	16.1%	1989	18.2%	1999	15.3%
1980	23.1%	1990	-0.2%	2000	-3.8%
1981	0.6%	1991	23.9%	2001	-5.0%
1982	26.0%	1992	7.2%	2002	-10.3%
1983	13.2%	1993	13.9%	2003	25.6%
1984	5.2%	1994	-0.1%	2004	13.1%
1985	26.2%	1995	25.7%	2005	7.8%
1986	15.4%	1996	13.5%	2006	10.8%
1987	2.4%	1997	18.5%	2007	9.0%
1988	11.2%	1998	15.3%	2008	-27.6%

Long-Term Performance ended June 30, 2009				
	3 Years	5 Years	10 Years	30 Years
Total Fund	-3.1%	1.8%	2.3%	9.5%



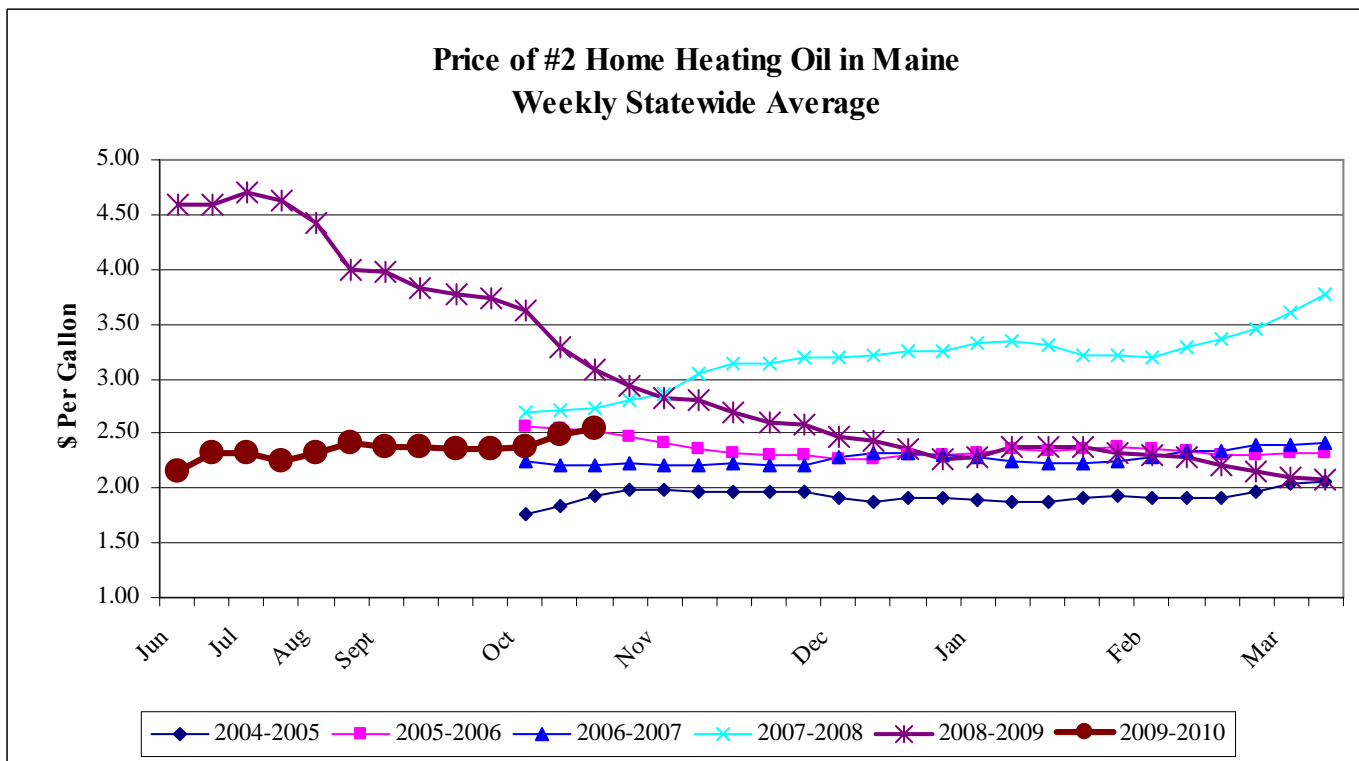
Home Heating Oil Cost Update

The price of crude oil rose to a one-year high of \$82 per barrel on October 21, 2009, a 26.2% increase in the month of October alone and a 27.2% increase over the same time last year. Over the past week, the price of crude oil has declined somewhat, hovering around the \$80 per barrel mark. Many analysts believe that, unlike last year when the price of crude oil reached \$137 per barrel due to very strong demand, the surge in price this year is primarily due to the weakened dollar, which hit its lowest level since August 2008 on October 23rd. Because oil is traded in dollars, holders of strong currencies, such as the Euro or the yen, are able to buy more as the dollar falls. Another area that analysts believe is driving prices upward are commodities speculators who, believing that recent positive economic news indicates that the economy is gaining strength, are betting that increased demand for oil products is on the horizon.

How does this increase in crude oil prices affect consumers? The price of home heating oil, one of the petroleum products produced from the process of refining crude oil, generally mirrors the price of crude. In October, the U.S. average retail price of residential

home heating oil reached its highest levels since January 2009, averaging approximately \$2.50 per gallon versus \$2.56 per gallon in January. Not surprisingly, weekly energy prices in Maine, tracked by the Governor's Office of Energy Independence and Security (OEIS), indicate that the statewide average price of #2 home heating oil has been rising as well, increasing to a 2009 high of \$2.55 per gallon as of October 27th. Although these prices are well below the prices experienced during 2008 (see chart below), the upward trend could have a negative impact on an already pessimistic consumer as the winter heating season and holiday shopping season begins.

As stated above, the price of #2 home heating oil in Maine has been fairly consistent with the national trend, increasing every year since the 2001-2002 winter heating season (with the exception of the 2006-2007 season, where prices actually declined slightly.) The chart below not only illustrates this trend, but also tracks the significant price increases that began around the first week of November 2007 and peaked in July 2008 at \$4.71 per gallon.





Cash Balances Update

Presented to the right is a summary of the State's average cash balances in September 2009 compared to September 2008. The average total cash pool for last month was only \$38.7 million below last September. Despite poor revenue performances in the General Fund and a reduction in General Fund reserves of \$170.7 million compared to last September, the total cash pool remained sufficiently solid enough to support General Fund internal borrowing that was \$144.2 million higher than last September. The historical average for September's total average balance in the cash pool (2001 to 2008) was \$600.1 million.

The Treasurer indicated that some sort of external borrowing would be required by November and that his office and the Office of the State Controller were watching the cash position carefully. The longer that external borrowing can be avoided the greater the General Fund savings in the Treasurer's Debt Service program. Some of this savings will be offset by reduced earnings in the cash pool; relying on internal borrowing reduces the amounts that can be invested.

Summary of Treasurer's Cash Pool

September Average Daily Balances (Millions of \$'s)

	2008	2009
General Fund (GF) Total	\$40.9	\$43.2
General Fund (GF) Detail:		
Budget Stabilization Fund	\$130.3	\$0.2
Reserve for Operating Capital	\$40.6	\$0.0
Tax Anticipation Notes	\$0.0	\$0.0
Internal Borrowing	\$69.5	\$213.7
Other General Fund Cash	(\$199.5)	(\$170.7)
Other Spec. Rev. - Interest to GF	\$96.0	\$12.2
Other State Funds - Interest to GF	(\$10.9)	\$9.3
Highway Fund	\$22.7	\$19.5
Other Spec. Rev. - Retaining Interest	\$67.6	\$31.4
Other State Funds	\$180.2	\$219.5
Independent Agency Funds	\$81.4	\$104.1
Total Cash Pool	\$477.9	\$439.1

Dirigo Health Fund's (DHF) cash position improved in September, but remained negative by \$20.2 million. With the \$25 million cash advance from the General Fund that must be repaid by the end of FY 2010, DHF average cash balance was \$4.8 million in September. The State Controller is required to report monthly on the fund's cash position.

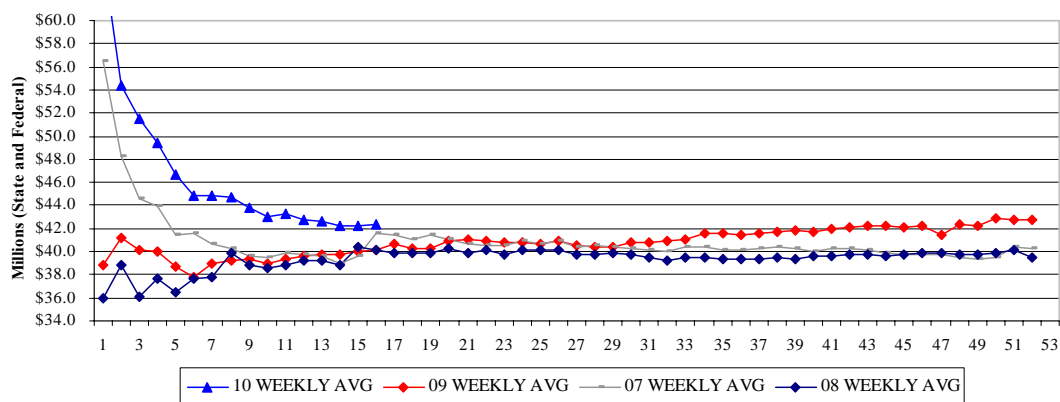
MaineCare Update

As summarized in the chart below, the weekly average of MaineCare payment cycles for FY 2010 through Week 16 was \$42.4 million (state and federal), down from the average through Week 11 of \$43.3 million reflected in the September *Fiscal News*. These averages reflect the one-time delay of hospital and long term care facility MaineCare payments from FY 2009 to FY 2010 (as required in PL 2009, c. 1, one week of

hospital prospective interim payments of approximately \$7.3 million and three weeks of June 2009 private non-medical institution and nursing facility payments of approximately \$19.8 million were delayed until FY 2010 Cycle 1). Controlling for the impact of these additional payments in the first week of FY 2010, the average weekly cycles for FY 2010 through Weeks 11 and 16 would be \$40.8 million and \$40.7 million respectively.

MaineCare Weekly Cycle Averages FY 07, FY 08, FY 09 and FY 10

FY 10 Through 10/16/2009 - Week 16 of 52



° FY 09 averages do not reflect the \$160.4 million in MaineCare hospital settlements paid in the May 8, 2009 (45th) cycle but do reflect the Week 47 cycle delayed and paid with the Week 48 cycle and the delay in hospital and long term care payments until FY 10.

° FY 10 averages reflect the delayed FY 09 hospital and long term care payments.

**MaineCare Update (Continued)**

The table below summarizes recent trends in MaineCare caseload, focusing on the traditional Medicaid program (i.e., adults and children receiving financial benefits such as TANF and IV-E Foster Care; aged and disabled persons; and institutionalized persons) and expansions to eligibility made in recent years. While caseloads in the traditional categories have been trending up over this period, expansion populations other than the non-categorical waiver eligibles have remained relatively stable once fully implemented. The non-categorical waiver eligible population has fluctuated reflecting policy changes made to keep the waiver program within federal and state budgetary spending limits. The decline in 2009 non-categorical waiver caseload through April reflected enacted budget initiatives to cap spending on the waiver program at a level significantly below that allowed under the approved federal waiver.

Recently released September 2009 MaineCare caseload data show a continued significant increase in the "traditional Medicaid" enrollment category, with almost 1,000 persons added in September and almost 11,000 people added this calendar year-to-date – a 5.0% increase for this category. The September 2009 caseload data also show the significant variances in the non-categorical waiver population increasing from 9,474 persons in April 2009 to 11,638 persons in June 2009, now decreasing to 10,799 persons in September 2009. The April through June increases were the result of DHHS actions to open enrollment for non-categorical eligible adults currently on waiting lists, while the more recent stabilization and decrease reflect DHHS's decision to close the waiver program to new enrollment to keep spending for the waiver within budgeted amounts.

MaineCare Caseload							
Month	Traditional Medicaid	SCHIP Medicaid Expansion	SCHIP "Cub Care"	Medicaid Expansion Parents ≤ 150% FPL	Non-Categorical Adults ≤ 100% FPL	Medicaid Expansion Parents >150% FPL	Total
2002 Avg.	174,962	8,597	4,209	13,756	1,349	0	202,873
2003 Avg.	195,664	8,142	4,734	14,019	14,738	0	237,298
2004 Avg.	203,608	9,397	4,502	16,414	21,138	0	255,058
2005 Avg.	209,817	10,130	4,159	18,301	19,875	2,016	264,298
2006 Avg.	212,842	10,289	4,518	18,790	14,670	4,998	266,106
2007 Avg.	215,763	9,909	4,524	19,010	20,060	5,490	274,756
2008 Avg.	217,214	9,513	4,524	18,273	14,276	5,582	269,381
Detail by Month							
Oct-08	216,817	9,749	4,544	18,688	11,975	5,561	267,334
Nov-08	217,676	9,812	4,528	18,589	11,548	5,495	267,648
Dec-08	218,097	9,772	4,611	18,481	11,121	5,537	267,619
Jan-09	219,754	9,765	4,631	18,607	10,719	5,532	269,008
Feb-09	222,145	9,145	4,674	18,062	10,341	5,396	269,763
Mar-09	223,664	9,171	4,730	18,076	9,886	5,510	271,037
Apr-09	223,582	9,321	4,741	18,315	9,474	5,653	271,086
May-09	224,463	9,364	4,797	18,582	11,538	5,800	274,544
Jun-09	225,693	9,447	4,741	18,900	11,638	5,832	276,251
Jul-09	227,163	9,653	4,790	19,242	11,427	5,884	278,159
Aug-09	228,083	9,722	4,778	19,364	11,120	6,023	279,090
Sep-09	229,060	9,812	4,780	19,427	10,799	6,062	279,940
Eligibility Descriptions:							
<ul style="list-style-type: none"> • Traditional Medicaid includes adults and children in receipt of a financial benefit (TANF, IV-E); aged and disabled persons in receipt of a financial benefit (SSI, SSI Supplement), institutionalized persons (NF), and others not included below. • SCHIP (State Child Health Insurance Program) Medicaid Expansion Children (M S-CHIP) (effective July 1998) are children with family incomes above 100% and up to and including 150% of the Federal Poverty Level (FPL). • SCHIP "Cub Care" Children (effective July 1998) are children with family incomes above 150% and up to and including 200% of FPL. • Medicaid Expansion Parents are persons who function as the primary caretakers of dependent children and whose income is above 100% and up to and including 150% of FPL (effective September 2000); and beginning May 2005, up to and including 200% of FPL. • Non-Categorical Adults (effective October 2002) are persons who are over 21 and under 65, not disabled, not the primary caretakers of dependent children, and whose income is not more than 100% of FPL. 							

General Fund and Highway Fund Revenue
Fiscal Year Ending June 30, 2010
Reflecting Budgeted Amounts Through 124th Legislature, 1st Regular Session

SEPTEMBER 2009 REVENUE VARIANCE REPORT

Revenue Line	September '09 Budget	September '09 Actual	September '09 Variance	FY10 YTD Budget	FY10 YTD Actual	FY10 YTD Variance	FY10 YTD Variance %	FY10 Budgeted Totals
General Fund								
Sales and Use Tax	98,099,895	91,837,265.90	(6,262,629.10)	194,957,484	176,664,976.68	(18,292,507.32)	-9.4%	981,766,394
Service Provider Tax	4,708,708	4,391,033.98	(317,674.02)	9,682,200	10,080,247.32	398,047.32	4.1%	55,590,852
Individual Income Tax	157,850,000	129,859,316.95	(27,990,683.05)	320,500,000	281,235,601.23	(39,264,398.77)	-12.3%	1,410,317,850
Corporate Income Tax	29,800,000	27,917,095.42	(1,882,904.58)	37,000,000	39,646,486.84	2,646,486.84	7.2%	144,697,500
Cigarette and Tobacco Tax	11,095,868	11,906,863.80	810,995.80	38,785,845	39,053,791.09	267,946.09	0.7%	137,881,705
Insurance Companies Tax	142,843	148,787.78	5,944.78	1,203,831	969,686.24	(234,144.76)	-19.4%	71,985,000
Estate Tax	2,878,326	2,087,502.42	(790,823.58)	2,878,326	808,709.07	(2,069,616.93)	-71.9%	30,124,796
Other Taxes and Fees	8,654,735	8,977,432.73	322,697.73	27,928,039	29,400,810.18	1,472,771.18	5.3%	143,840,376
Fines, Forfeits and Penalties	3,948,722	2,766,744.36	(1,181,977.64)	11,461,094	9,701,937.42	(1,759,156.58)	-15.3%	43,654,018
Income from Investments	182,059	62,133.42	(119,925.58)	361,792	122,431.38	(239,360.62)	-66.2%	947,908
Transfer from Lottery Commission	3,810,323	4,171,311.20	360,988.20	12,383,562	13,090,311.12	706,749.12	5.7%	49,534,250
Transfers to Tax Relief Programs	(21,065,354)	(19,285,989.02)	1,779,364.98	(35,939,053)	(33,189,449.05)	2,749,603.95	7.7%	(116,953,498)
Transfers for Municipal Revenue Sharing	(2,037,381)	(1,988,364.01)	49,016.99	(28,478,187)	(25,682,704.68)	2,795,482.32	9.8%	(112,509,131)
Other Revenue	628,181	7,802,169.71	7,173,988.71	(5,362,124)	3,185,378.91	8,547,502.91	159.4%	23,703,648
Totals	298,696,925	270,653,304.64	(28,043,620.36)	587,362,809	545,088,213.75	(42,274,595.25)	-7.2%	2,864,581,668
Highway Fund								
Fuel Taxes	22,925,399	22,067,454.11	(857,944.89)	37,301,466	41,079,720.19	3,778,254.19	10.1%	220,305,526
Motor Vehicle Registration and Fees	4,119,315	3,215,367.18	(903,947.82)	18,952,074	18,718,126.62	(233,947.38)	-1.2%	77,674,394
Inspection Fees	390,664	340,420.01	(50,243.99)	1,150,584	931,399.54	(219,184.46)	-19.0%	4,157,802
Fines, Forfeits and Penalties	161,738	146,912.50	(14,825.50)	470,177	460,695.89	(9,481.11)	-2.0%	1,795,049
Income from Investments	7,500	15,461.75	7,961.75	17,500	38,596.41	21,096.41	120.6%	203,237
Other Revenue	284,068	76,543.58	(207,524.42)	1,073,820	718,039.09	(355,780.91)	-33.1%	8,605,431
Totals	27,888,684	25,862,159.13	(2,026,524.87)	58,965,621	61,946,577.74	2,980,956.74	5.1%	312,741,439

Comparison of Actual Year-to-Date Revenue
Through September of Each Fiscal Year

REVENUE CATEGORY	FY 2006	% Chg	FY 2007	% Chg	FY 2008	% Chg	FY 2009	% Chg	FY 2010	% Chg
GENERAL FUND										
Sales and Use Tax	\$185,385,402.22	4.3%	\$190,057,787.25	2.5%	\$192,810,538.35	1.4%	\$198,483,471.37	2.9%	\$176,664,976.68	-11.0%
Service Provider Tax	\$6,419,578.03	0.4%	\$8,182,715.67	27.5%	\$8,520,937.54	4.1%	\$9,265,255.22	8.7%	\$10,080,247.32	8.8%
Individual Income Tax	\$271,085,229.30	6.4%	\$286,778,252.74	5.8%	\$301,429,061.91	5.1%	\$318,900,302.88	5.8%	\$281,235,601.23	-11.8%
Corporate Income Tax	\$40,938,903.42	25.5%	\$49,772,986.29	21.6%	\$44,022,578.44	-11.6%	\$38,703,436.43	-12.1%	\$39,646,486.84	2.4%
Cigarette and Tobacco Tax	\$31,854,556.76	18.9%	\$45,034,243.06	41.4%	\$42,416,148.44	-5.8%	\$41,276,854.21	-2.7%	\$39,053,791.09	-5.4%
Insurance Companies Tax	\$1,083,332.44	-39.7%	\$550,539.47	-49.2%	\$1,902,918.11	245.6%	\$1,429,827.72	-24.9%	\$969,686.24	-32.2%
Estate Tax	\$14,311,042.97	662.5%	\$13,747,384.69	-3.9%	\$1,540,460.50	-88.8%	\$2,045,994.54	32.8%	\$808,709.07	-60.5%
Other Taxes and Fees	\$28,969,611.61	16.7%	\$30,990,883.33	7.0%	\$31,058,260.77	0.2%	\$28,015,693.99	-9.8%	\$29,400,810.18	4.9%
Fines, Forfeits and Penalties	\$8,084,016.65	-12.2%	\$9,914,702.30	22.6%	\$11,037,990.96	11.3%	\$12,177,664.68	10.3%	\$9,701,937.42	-20.3%
Earnings on Investments	\$1,299,556.81	65.0%	\$1,241,485.64	-4.5%	\$954,667.51	-23.1%	\$1,236,414.14	29.5%	\$122,431.38	-90.1%
Transfer from Lottery Commission	\$11,663,852.83	-9.8%	\$13,649,030.60	17.0%	\$13,546,268.35	-0.8%	\$13,534,776.89	-0.1%	\$13,090,311.12	-3.3%
Transfers to Tax Relief Programs	(\$22,737,733.96)	-72.1%	(\$37,324,408.41)	-64.2%	(\$36,174,806.05)	3.1%	(\$41,822,599.16)	-15.6%	(\$33,189,449.05)	20.6%
Transfers for Municipal Revenue Sharing	(\$24,535,660.32)	-16.9%	(\$20,370,834.00)	17.0%	(\$26,041,023.81)	-27.8%	(\$26,700,023.20)	-2.5%	(\$25,682,704.68)	3.8%
Other Revenue	\$5,453,852.72	-91.1%	\$6,897,491.19	26.5%	\$9,073,545.94	31.5%	\$5,664,957.30	-37.6%	\$3,185,378.91	-43.8%
TOTAL GENERAL FUND REVENUE	\$559,275,541.48	-3.0%	\$599,122,259.82	7.1%	\$596,097,546.96	-0.5%	\$602,212,027.01	1.0%	\$545,088,213.75	-9.5%
HIGHWAY FUND										
Fuel Taxes	\$40,371,777.15	-3.9%	\$41,086,309.76	1.8%	\$40,134,721.38	-2.3%	\$38,731,846.74	-3.5%	\$41,079,720.19	6.1%
Motor Vehicle Registration and Fees	\$21,400,880.61	6.4%	\$20,304,836.99	-5.1%	\$20,049,091.86	-1.3%	\$21,106,614.37	5.3%	\$18,718,126.62	-11.3%
Inspection Fees	\$1,156,561.34	11.8%	\$1,156,827.83	0.0%	\$1,178,550.04	1.9%	\$855,265.21	-27.4%	\$931,399.54	8.9%
Fines	\$504,770.14	65.4%	\$453,473.75	-10.2%	\$433,829.28	-4.3%	\$433,780.64	0.0%	\$460,695.89	6.2%
Income from Investments	\$416,066.73	190.9%	\$211,205.98	-49.2%	\$322,062.27	52.5%	\$225,823.86	-29.9%	\$38,596.41	-82.9%
Other Revenue	\$2,153,381.18	32.8%	\$2,060,753.89	-4.3%	\$1,568,436.91	-23.9%	\$1,669,846.15	6.5%	\$718,039.09	-57.0%
TOTAL HIGHWAY FUND REVENUE	\$66,003,437.15	1.2%	\$65,273,408.20	-1.1%	\$63,686,691.74	-2.4%	\$63,023,176.97	-1.0%	\$61,946,577.74	-1.7%